

ACTION ITEM

June 15, 2006

To: Operations Committee and Executive Board

From: Councilmember Julia Patterson, Chair
Transportation Policy Board

Subject: **Regional Passenger-Only Ferry Study**

AT ISSUE

The Transportation Policy Board (TPB) has recently been engaged in discussions on the issue of passenger-only ferries. Over the past four months, staff has worked closely with Kitsap Transit, King County Department of Transportation (DOT), Washington State Ferries, Legislative Joint Transportation Committee staff, and the Cascadia Center to inform the policy board about the current status of the passenger-only ferry (POF) issue from a variety of perspectives. The policy board has explored ideas on how the region might become more involved in planning to meet future regional POF needs. On May 11, the policy board instructed staff to prepare a scope of work, budget, and funding plan for a Regional Passenger-Only Ferry Study, and bring these back for discussion and action at their next meeting. On June 8 the Transportation Policy Board reviewed the draft work scope, budget, and funding plan, and unanimously approved four actions recommended by staff. The policy board is recommending approval of these actions by the Operations Committee and Executive Board at your meetings on June 29. The recommended action includes authorization to allocate \$50,000 from the agency's contingency funds for the study.

RECOMMENDED ACTION

1. Authorize up to \$50,000 from Puget Sound Regional Council contingency funds to be allocated to staff support for the Regional Passenger-Only Ferry Study.
2. Instruct staff to set aside up to \$200,000 in regional Surface Transportation Program (STP) funds that have been "on hold" through PSRC's project tracking program until the funding cycle now underway.
3. Instruct staff to pursue federal funds from SAFETEA-LU, and funding from other sources, to fund the study, with the understanding that any such funds received would be used dollar-for-dollar to offset the amount of PSRC's federal funds used for the project, and those STP funds would be reprogrammed back into the regional project contingency list.
4. Ask staff to work with the Cascadia Center and its partners to arrange for the planned fact-finding tour of the San Francisco Bay Area Water Transit Authority's passenger-only ferry.

BUDGET IMPACT

The \$50,000 in contingency funds are part of the \$400,000 fund and are included in the adopted budget to accommodate unanticipated expenses, such as this project. Use of these contingency funds for the POF project would have no net impact on the overall agency budget. The remaining \$200,000 needed to fund the project will be drawn from “on hold” regional STP funds identified through PSRC’s project tracking program. These funds were previously allocated to projects, but have not been spent. Funds accumulate from cancelled projects, or projects that did not spend as much as originally anticipated. If used to fund the POF study, the \$200,000 of “on hold” STP funds from the project tracking program would not be available to fund projects proposed by other sponsors. However, part of the recommended action is to instruct staff to pursue federal funds from SAFETEA-LU, and funding from other sources, to fund the study, with the understanding that any such funds received would be used dollar-for-dollar to offset the amount of PSRC’s federal funds used for the project, and those STP funds would be reprogrammed back into the regional project contingency list. The action to set aside these “on hold” funds for the POF study would have no net impact on the agency’s adopted operating budget.

DISCUSSION

Working with our ferry system planning partners, PSRC staff has prepared a draft scope of work and budget for a *Regional Passenger-Only Ferry Study* (see attached). The work scope is intended to accomplish several objectives. First, it responds to the policy board’s instructions by laying out a series of work tasks to help identify and meet our long-range passenger-only ferry needs. Second, it builds upon the significant work already done. Third, it recognizes that Kitsap Transit and King County are involved in detailed efforts to organize, fund, and commence POF service in their parts of the region. And finally, the study is intended to provide support for these current efforts and add value to the work being done by Kitsap Transit, King County DOT, and others.

Our budget estimate for the project is \$250,000. Of this amount, agency contingency funds up to \$50,000 could become available to fund early phases of staff support for the project, which could begin this summer. The remaining project funding (\$200,000) would be provided through a combination of PSRC’s federal funds and SAFETEA-LU funds. To assure funding for the project, the policy board recommends the Executive Board set aside up to \$200,000 in regional STP funds that have been “on hold” from the agency’s project tracking program until this current funding cycle. (See previous discussion under Budget Impact)

At the request of the Transportation Policy Board, staff is working with the Cascadia Center to plan a fact-finding trip to view the San Francisco Bay Area Water Transit Authority’s passenger-only ferry system. The trip has been tentatively scheduled for October 5 - 6, 2006. Cascadia and their partners have committed to helping fund some of the expenses related to the trip while The Regional Council members are on-site in San Francisco.

For more information, please contact Stephen Kiehl at 206-464-6715 or skiehl@psrc.org.

Attachment: *PSRC Regional Passenger-Only Ferry Study Draft Scope of Work (6/15/2006)*

PRSC
Regional Passenger-Only Ferry Study
DRAFT Scope of Work
6/15/2006

Request for the Study

In the spring of 2006 the PSRC Transportation Policy Board asked staff to evaluate the current status of passenger-only ferries in the Central Puget Sound Region. Initial presentations were given to the Board in April. The Board then asked staff to prepare a scope of work and budget estimate for a Regional Passenger-Only Ferry Study. This scope of work responds to the Board's request. It was prepared in consultation with staff from Washington State Ferries, King County DOT, Kitsap Transit, Cascadia Center, the Legislature's Joint Transportation Committee, and others.

The work scope outlined below is considered a draft. Funding to support this work is not likely to be available until early 2007. Current efforts being undertaken by Kitsap Transit and King County may change the complexion of the passenger-only ferry issue over the coming months. In recognition of the changing POF picture in the region, this scope of work will likely be refined in early 2007 when the actual study is initiated, and during contract negotiations with consultants.

Background

The ferry system in the Central Puget Sound Region is currently at a critical juncture in history, marked by high fuel prices, the loss of historic public funding (due to elimination of the state motor vehicle excise tax), strong demand and forecasts of significant future growth (especially for walk-on passengers), the state's pending departure from the passenger-only ferry business, and creation of new local options by the 2006 Legislature. The context within which the existing ferry system operates is rapidly changing. To address this changing future, the Washington State Ferries has prepared a Long-Range Strategy Plan for the Washington State Ferries. The plan will be finalized this year and incorporated into the Washington Transportation Plan.

The WSF Long Range Strategic Plan is based on the assumption that passenger-only ferry service will be transferred from the state to other operators (public or private). The plan relies on future passenger-only ferry service to divert a significant level of passenger demand from the Seattle-Bainbridge Island route, where demand is forecast to exceed capacity during the plan's time frame (before 2030). The WSF long-range strategic plan is based on the need to establish significant passenger-only service with reasonable fares on the Kingston to Downtown Seattle corridor in order to divert passenger traffic from the Seattle-Bainbridge route. Growing traffic and increasing congestion on SR-305 across Bainbridge Island, as well as the ferry vessels themselves reaching their passenger capacity, is a major issue driving this assumption in the WSF long-range strategic plan.

Kitsap Transit is currently preparing a Passenger-Only Ferry Investment Plan to guide their decisions and investments over the next 6 years. In 2005 King County DOT completed a Waterborne Transit Policy Study to lay the groundwork for decisions about whether King County should invest in passenger-only ferry service. King County is now developing a proposal for taking over operation of the Vashon-Seattle passenger-only ferry route. Also in 2005, the Passenger-Only Ferry Task Force presented its findings to the Legislature's Joint Transportation Committee. The task force's charge was "to study the most reliable and cost-effective means of providing passenger-only ferry service."

Issue/Problem Statement

- The Washington State Ferry system is one of the nation's largest ferry systems.
- In 2005 the system served 24 million users.
- Forecasts show demand will grow to over 40 million by 2030.
- The passenger walk-on component will grow the fastest; on routes to downtown Seattle walk-on demand is expected to comprise 70% of all growth for the next 25 years.
- Elimination of the MVET reduced ferry system funding and forced cutbacks in service combined with increases in fares. This cut-back especially affected POF service, which is not gas-tax eligible.
- The Legislature has directed WSF to cease all passenger-only ferry service. The last WSF passenger-only ferry service from Vashon Island to Downtown Seattle is targeted to end in July 2007.
- The 2006 Legislature passed ESSB-6787, enabling the creation of county ferry districts as an option for operating passenger-only ferries. Kitsap Transit and King County are preparing passenger-only ferry business plans as outlined in the legislation.
- Numerous agencies have studied the potential for passenger-only ferry service, including the JTC Passenger-Only Task Force, Kitsap Transit, King County DOT, and the Discovery Institute's Cascadia Center.
- Kitsap voters rejected a proposal for public funding to support a passenger-only ferry system in 2003. Kitsap Transit has developed a six-year Passenger-Only Ferry Investment Plan, and will be seeking voter approval in early 2007.
- There has also been discussion of possible passenger-only ferry service in the south sound (connecting Gig Harbor, Tacoma, and Des Moines), and in the north sound (with potential service connecting Bellingham, the San Juan Islands, Island County, and other locations).
- These ferry-planning efforts have been primarily focused on individual, shorter-term pieces of the larger system, and there may be a need for a coordinated, long-range regional approach to planning for passenger-only ferries.
- Within the next 12 months Kitsap Transit, King County, and others may begin passenger-only service. This study, which will likely begin in early 2007, will need to recognize the progress being made by these and other agencies, and will be adjusted as needed to reflect those realities, to assure the study is relevant and adds value to the efforts already underway by others. If either Kitsap Transit and/or King County has begun to implement their POF plans when this study commences, this work scope may be adjusted to change its focus from short-term issues to a longer-range approach.
- This work scope and the project it describes is an attempt to consolidate previous plans, outline major issues and trends, define PSRC's role, identify and evaluate options, and establish a coordinated regional plan to meet our passenger-only ferry needs.
- Significant work has been done by numerous agencies in evaluating possible passenger-only ferry service. This study will incorporate and build upon existing work to the maximum extent possible to avoid duplication and reduce cost.

Outcomes Sought by the Study

The study will provide the technical basis to strengthen Destination 2030 policies, programs, projects, and criteria by improving:

1. Coordination of state, regional, and local ferry system investments
2. Integration of ferry operations with transit, roadway, and non-motorized improvements
3. Guidance for ferry-oriented development and land use near ferry terminals
4. Planning to address local land use and transportation impacts in ferry terminal communities
5. The technical capabilities in the area of ferry system demand forecasting and travel demand modeling and analysis that will aid in prioritization of projects and programs

Project Budget

The budget estimate for the project is \$250,000. Of this amount, up to \$50,000 would be drawn from agency contingency funds contained in the current budget. The remaining \$200,000 would be set aside from PSRC regional STP funds that have been “on hold” from the agency’s project tracking program until this current funding cycle. Additional funds are being sought from other Federal sources. If obtained, these other funds will be used dollar for dollar to offset the amount of PSRC “on hold” funds set aside for the project, and those STP funds would be reprogrammed back into the regional project contingency list.

Work Tasks

TASK 1: Project Organization, Management, and Coordination

- 1.1 Create project team and prepare a coordinating plan to outline roles and responsibilities
- 1.2 Establish a POF planning advisory committee and outline their roles and responsibilities
- 1.3 Complete consultant selection and enter contract for consultant services
- 1.4 Review and refine project work scope, schedule, and budget (as needed)
- 1.5 Identify key agencies and groups who should be involved in the planning study
- 1.6 Outline critical relationships between work being done by other agencies and the Regional POF Study, and identify appropriate coordination

TASK 2: Synthesis of Existing Information

- 2.1 Collect and review existing POF plans and studies
- 2.2 Prepare a summary of results and findings of existing POF plans and studies
- 2.3 Prepare a statement of what aspects of planning for POF have not been addressed in these studies

TASK 3: Summary of Issues and Trends

- 3.1 Building upon the information results of Task 2, prepare a white paper which identifies and discusses relevant POF issues and trends, such as:
 - The role of federal, state, regional, and local governments, the private sector, and others
 - Ferry system capital, operating, maintenance, and preservation costs
 - Implications of high fuel costs (short and long term)
 - Ferry system fares
 - Ferry system funding sources and options
 - Security and emergency response
 - Coordination with transit providers
 - Local land use and traffic impacts around ferry terminals
 - Potential for TOD development around ferry terminals
 - Labor issues
 - Route structure and level of service options
- 3.2 Identify additional data and analysis needs

TASK 4: Policy Analysis and Regional Roles

- 4.1 Review and evaluate current PSRC policy re: POF
- 4.2 Incorporate the findings of the Puget Sound Regional Governance Commission as needed
- 4.3 Outline and discuss existing PSRC roles in ferry system planning
 - Policy support
 - TIP funding
 - Coordination with WSF in regional transportation system planning
 - Incorporating ferry system component into Destination 2030
 - Support WSF planning process by providing demographic data (population, employment, and income data) and regional travel demand modeling and analysis
- 4.4 Identify possible expanded roles in POF
 - Regional POF planning and coordination (bring together efforts of local agencies, such as Kitsap Transit, King County DOT, Cascadia Center, and others)
 - Support for creation of a regional passenger-only ferry authority
 - Regional funding for passenger-only ferries
 - Cross-regional coordination

TASK 5: Market Analysis and Demand Forecasts

- 5.1 Identify geography of the market to be studied, i.e., will the study include more than the PSRC region, such as north sound (Skagit, Whatcom, Island, and San Juan counties) south sound (Thurston County), and west sound (Mason and Jefferson Counties).
- 5.2 Identify travel corridors to be included in the study, i.e., east-west cross-sound traffic, north-south cross-sound traffic, cross-Lake Washington, cross-Lake Union, Elliott Bay, intra-county, other.
- 5.3 Collect and review previous demand forecasts prepared by WSF and others as appropriate
- 5.4 Review input data, assumptions, and methodology used in the WSF/other forecasts
- 5.5 Evaluate the need for changes in preparing revised or new regional POF demand forecasts
- 5.6 Review and evaluate regional population, employment, and income forecasts
- 5.7 Prepare revised/new passenger-only forecasts and allocate to ferry travel corridors
- 5.8 Evaluate land use issues related to passenger-only ferry demand near ferry terminals, and develop information that could be used by local agencies in land use planning for ferry terminal areas.

TASK 6: Regional POF Travel Demand Modeling

- 6.1 Collect and review results of WSF's planned (2006) passenger O&D survey and evaluate results in light of PSRC travel demand model.
- 6.2 Compare results of WSF passenger O&D survey with 2006 PSRC travel survey
- 6.3 Assess need for adjustments to PSRC travel demand model related to ferry passengers in light of WSF passenger O&D survey and the 2006 PSRC travel survey
- 6.4 Using the results of Task 5 and the WSF passenger O&D survey data, prepare input files needed to run the PSRC Regional Travel Demand Model, focusing on key ferry passenger travel corridors
- 6.5 Run regional travel demand model showing both auto-ferry travel and passenger-only component
- 6.6 Evaluate results, make adjustments and re-run model as needed
- 6.7 Evaluate existing ferry system route structure and options for new routes that may be needed to meet forecast demand. Work with Kitsap Transit to identify potential new intra-Kitsap County routes, as well as King County DOT on intra-King County routes.
- 6.8 Translate model results into information to inform the planning process:
 - Annual ferry passengers by travel corridor
 - Peak 4-hour period passengers (afternoon peak) by travel corridor
 - Peak hour passengers (morning peak and afternoon peak) by travel corridor

TASK 7: Operations and Financial Assessment

- 7.1 Research other passenger-only ferry systems across the country and elsewhere and select those most comparable to our situation for further analysis (such as the San Francisco Bay Area Water Transit Authority, Metropolitan Boston Transit Authority, and Vancouver, B.C.).
- 7.2 Collect and review information from comparable passenger-only ferry systems, including: terminals, ferry fleet, routes, fares, capital costs, operating costs, maintenance and preservation costs, financing, organization and structure, and legal mandates, etc.
- 7.3 Prepare a comparison matrix to display key information for the comparable ferry systems. The matrix would include a summary form of the information collected in Task 7.2.
- 7.4 Evaluate possible application of elements of other ferry systems to the PSRC region.
- 7.5 Review and evaluate results of Kitsap Transit and King County POF programs to date, and assess potential application to other areas within the PSRC region, and elsewhere on Puget Sound.

TASK 8: Develop Proposed Regional Passenger-Only Ferry (POF) Strategy

Build upon earlier tasks, as well as the work being done by Kitsap Transit, King County, and others, to create a comprehensive regionwide long-range passenger-only ferry strategy. The strategy would include the following elements:

- 8.1 Route structure (routes and terminals)
- 8.2 Vessel needs (size, number)
- 8.3 Terminal needs (location, numbers of berths, parking, etc.)
- 8.4 Operations plan (schedules, speeds, crossing times)
- 8.5 Organizational structure (operating agency)
- 8.6 Cost estimates (capital, operating, maintenance, preservation, and finance costs)
- 8.7 Revenue estimates (fare box recovery estimates, grants, bond proceeds, other)
- 8.8 Funding plan (local, regional, state, and federal sources,)
- 8.9 Recommendations for improved ferry system connections with transit at major terminals
- 8.10 List of recommended highway system and local roadway improvements to support POF service and mitigate impacts of through ferry traffic
- 8.11 Ferry terminal vicinity land use planning and development guidelines to support ferry service
- 8.12 Sequencing plan to match forecast demand, investments, service deployment, costs, and revenues

TASK 9: Ferry System Integration with Regional Transportation Network

- 9.1 Using forecasts and travel demand model results from earlier tasks, identify annual and peak period POF demand (peak four-hour and peak hour) likely to access passenger-only ferry terminals via highway, transit, and non-motorized modes.
- 9.2 Evaluate the impacts of passenger-only ferry demand on these modes, and identify improvement options. Work with WSDOT, PSRC, counties, and local agencies to prepare an integrated package of roadway and transit improvements as needed.
- 9.3 Recommend highway system, local roadway, and transit improvements to support the ferry system for incorporation into state, regional, and local plans.
- 9.4 Identify opportunities to provide improved access to ferry terminals other than via SOV. Coordinate with transit agencies to identify options for improved transit service, including increased capacity, greater frequency, and improved coordination of transit and ferry schedules.
- 9.5 Using the results of Task 5.8 above, integrate opportunities for passenger ferry supportive land use into local plans and Vision 2020.

- 9.6 Coordinate results of this process with ongoing regional transportation planning efforts to integrate with Destination 2030, including identifying projects to be included in the Regional TIP.

Issues to Resolve

- How should we coordinate with other regions around Puget Sound, and involve the tribes?
- Should this regional POF planning process incorporate a potential mitigation role for POF? In other words, should our study assess how ferries might be used to move people around the region during replacement of the Alaskan Way Viaduct and the SR-520 bridge, and during the planned Hood Canal Bridge closure? In addition, should we address the issue of how ferries may be used during emergencies such as terrorist attacks or natural disasters?

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